



MINUTES
Economic Development Authority
October 22, 2019

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:00 pm.

Present: Chair: Jahn Dyvik; Vice Chair: Lori Goodsell; Board: Tim Hultmann, Tom Skjaret, Deirdre Kvale, and Charlie Miner

Staff Present: City Administrator/Executive Director: Scott Weske; and City Attorney: John Thames

Absent: Michelle Jerde (with prior notice)

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

Chair Dyvik asked about amending the agenda to allow for open discussion prior to the closed discussion regarding the Virginia Avenue property.

City Attorney Thames suggested that if the agenda is rearranged that the EDA bookend the discussion regarding Virginia Avenue. He noted that typically comments would not be accepted on items that are already on the agenda, but the EDA can choose to allow comments on that particular item.

A motion was made by Goodsell, seconded by Miner, to approve the agenda as presented. Ayes: all.

CONSENT AGENDA

- A. Approve Minutes of September 17, 2019 EDA Meeting

A motion was made by Skjaret, seconded by Miner, to approve the minutes of the September 17, 2019 EDA meeting. Ayes: all.

OPEN CORRESPONDENCE

None.

BUSINESS ITEMS

Closed Session: Discuss Trinity Vincent Negotiation Status and Development of Virginia Avenue Property Adjacent to City Hall

Board member Kvale asked why this discussion was taking place in a closed session and not open to the public.

City Attorney Thames stated that under Minnesota Statute, Chapter 13D, it is discretionary for the EDA to hold a closed session to facilitate fairness in the negotiation process for offers.

A motion was made by Hultmann, seconded by Goodsell, to move into a closed session to discuss Trinity Vincent negotiation status and development of Virginia Avenue property adjacent to City Hall. Ayes: all

The EDA discussed the deed for the Virginia Avenue property. The Board was advised by the City Attorney of a deed-related issue and action that may be required to address/resolve a particular restriction placed upon the property by the previous owner.

A motion was made by Hultmann, seconded by Miner, to move out of closed session at 5:37 p.m. Ayes: all

Chair Dyvik summarized the discussion that took place during the closed session and noted that the EDA has been made aware of an issue with the deed that will need to be cleaned up before it can be sold.

City Attorney Thames stated that the EDA held a closed session pursuant to Minnesota Statute 13D.05 to discuss offers on the Virginia Avenue property adjacent to City Hall. He clarified that the EDA will be evaluating title issues related to a potential restriction placed on the conveyance of the property by the previous owner. He explained the history of the parcel and noted that the EDA is looking to clarify or remove the public purpose conveyance that was placed on this property by MnDOT, as the former owner.

A motion was made by Goodsell, seconded by Hultmann, to pursue a quiet title action and suspend all negotiations with Trinity Vincent until the title issue is resolved. Ayes: Kvale, Dyvik, Miner, Hultmann, and Goodsell. Opposed: Skjaret. Motion carried.

Continued Discussion: Application for EDA Review: Virginia Avenue Property/Trinity Vincent Development, Aaron Maciej and Brandon Laubach – Proposal for 100 Unit Senior Assisted Living and Memory Care Apartments

Marty Schneider, 1176 West Wayzata Boulevard, noted that he was a member of the EDA and the City Council during the years 2015-2018 and Mayor for the years 2017 and 2018. He stated that he has followed the process as closely as he could for the Virginia Avenue property by reading past minutes. He stated that four of the nine properties are homesteaded and of those four, two were purchased well after any bypass issues in 2009 and 2016. He stated that of the five properties that are non-homestead, one of the five was purchased in 2018. He stated that at the December 2017 EDA meeting, there were seven parties that expressed interest in the Virginia Avenue property. He listed the parties that were interested and noted that at the time, the EDA collectively agreed that the City needed to develop a vision for the future of the City before the EDA made a decision regarding this property. He explained that since that meeting, the design guidelines have been developed, which had previously kept all the interested parties at arm's length. He stated that he believes the understanding was that when the design guidelines process was completed, the City would reach out to the interested parties again. He stated that this will potentially be the City's largest development and believes the community expects the process to be fair, consistent and legal. He stated that he believes large, open, public discussions with residents are essential for this type of development. He stated that he believes there are potential legal challenges on all sides of this if open transparency and consideration are not followed. He urged the EDA to follow the process very carefully and noted that land is a precious resource in the City.

Chair Dyvik stated that to tag onto Mr. Schneider's comments on process, he put together a slide presentation that highlighted the previous proposed development and the current proposed development. He stated that he agreed that there are more interested parties.

Board member Goodsell stated that the City took the time to put together the design guidelines and she feels the current proposal violates every guideline that was developed.

Chair Dyvik stated that Trinity Vincent is claiming that their proposal meets all the design guidelines, which technically it probably does. He stated that there can be something that meets all the design guidelines while also being simply not attractive. He stated that he thinks the EDA needs to be more thoughtful and careful before it jumps into negotiations and also find a developer who is willing to work with the City. He reiterated that there are other parties that are interested in this property.

Board member Skjaret stated that the only interested party that has brought money to the table is Trinity Vincent. He noted that the development ideas that they have shown are just a proposal and not the final design, but noted that it is null and void now because the EDA just voted to cut off negotiations with them.

The EDA discussed the differences between creating market rate/affordable housing or senior housing.

Mike Giebenhain, Lakeside Family Dentistry, stated that it appears as though people are putting money into designs and then being stonewalled by the City. He stated that with this property as well as the old BP station property, the EDA needs to be aware that this process may make it too difficult for someone that doesn't have huge corporate backing to be able to make proposals for the property. He stated that not everyone can spend a lot of money on a design proposal with the risk of not even being heard by the City.

Board member Miner stated that it may be a good idea for the EDA to come up with some guidelines of what it is interested in for this property. He stated that it would be good to have something in writing that can be given to developers including some of the details of what the City is looking for. He stated that it could be done through an RFP process, which could avoid people spending money on designs only to appear to be stonewalled from the City.

Chair Dyvik stated that he would like to have engagement with a developer and did not feel like Trinity Vincent was willing to work with the City. He stated that he thinks it will be in the best interest of the EDA to not jump into negotiations so quickly.

Receive Working Draft of Request for Proposals (RFP) for EDA-Owned Property at 1905 Wayzata Boulevard W

Executive Director Weske noted that included in the packet was a rough draft of an RFP for the property at 1904 Wayzata Boulevard W. He asked the EDA to read through the document and see if there is anything that they would like to add or clarify in the RFP.

Board member Goodsell stated that she thought the deed restriction on this property did not allow for residential or multi-family developments.

Weske explained that the way this was designed was including surrounding properties so this property could potentially be tied into a larger development. He noted that the rough draft RFP is just the bare minimum at this point and not fleshed out.

Board member Goodsell stated this information as well as the deed restriction information should be included in the RFP so it is clearly understood by potential developers.

Chair Dyvik noted that he has heard from developers that the City has a very cumbersome application.

Weske stated that the application process had initially been drafted in conjunction with Eric Zweber from WSB. He asked if there were things that the EDA felt were out of line within the application.

Board member Skjaret stated that he did not think the submission checklist looks too difficult or out of line.

Board member Kvale asked what happens if an application doesn't have everything.

Weske explained the process and noted that if they do not have everything on the checklist, it is considered incomplete. He suggested that perhaps there be a process where it is reviewed by staff prior to the submission deadline so it can be kicked back to the applicant to be completed if something is missing. He stated that he wants there be to thought put into this so that as much as possible, everyone can have a fair chance. He asked that the EDA take time before the next meeting to make some suggestions on revisions for the RFP.

Board member Kvale asked how this would be advertised.

Weske explained that he works with WSB who has a list of large companies where this information can be posted. He stated that it can also be posted with the League of Minnesota Cities and direct mailed to interested parties. He stated that if he can get revisions from the EDA before the November meeting, the RFP may be able to be posted in December.

OTHER BUSINESS

None.

ADJOURN

A motion was made by Miner, seconded by Hultmann, to adjourn the meeting at 6:23 pm. Ayes: all.

Respectfully submitted,
Scott Weske, Executive Director